

## Performance Accomplishments

### Treasury Performance Snapshot

Under the Government Performance and Results Act of 1993 (GPRA), the Department of the Treasury maintains a strategic plan, establishes performance measures to identify program performance, and sets targets to monitor the Department's value to the public. The performance snapshot ("snapshot") presented here summarizes important performance information, including an overview of how well Treasury met its performance goals. Through its strategic goals, Treasury seeks to:

- Promote Prosperous U.S. and World Economies (E1);
- Promote Stable U.S. and World Economies (E2);
- Preserve the Integrity of Financial Systems (F3);
- Manage the U.S. Government's Finances Effectively (F4); and
- Ensure Professionalism, Excellence, Integrity, and Accountability in the Management and Conduct of the Department of Treasury (M5)

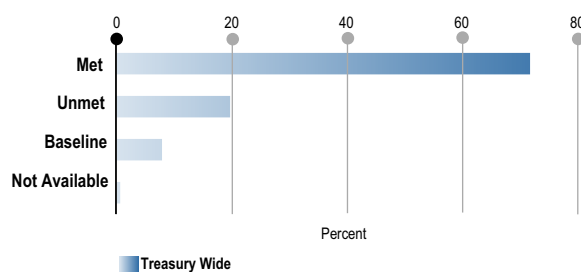
Treasury's overall performance is shown in a bar chart, indicating the percentage of performance measure targets met, unmet, not available, or baseline. Performance by strategic goal is also represented in the column chart. Treasury also works with the Office of Management and Budget (OMB) to coordinate program evaluation and management initiatives through the President's Management Agenda (PMA) and Program Assessment Rating Tool (PART). The snapshot also includes charts that indicate Treasury's results in these two important arenas. The PMA chart shows the status Treasury achieved on six core management initiatives for both FY 2004 and the first quarter of FY 2005. The PART graph indicates the total number of programs evaluated by OMB and how Treasury programs were rated.

### Performance Results

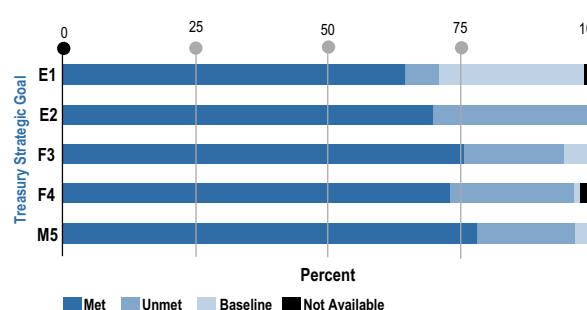
In FY 2004, Treasury improved its performance by meeting 71% of its performance targets as compared to 63% of its targets last year. Treasury also reduced the percentage of targets unmet from 23% last year to 20% this year and the percentage of baseline measures

or those that had no data available was also reduced from 13% in FY 2003 to 9% in FY 2004.

### Treasury Overall Performance, FY 2004



### Treasury Performance by Strategic Goal, FY 2004



### Performance Summary by Focus Area

- *Treasury Economic Goals (E1 and E2)* While Treasury achieved nearly two of every three performance targets, a significant number of measures had no available data. It should be noted that, many of the twenty measures that had no data available or were baseline, have been slated to be discontinued.
- *Treasury Financial Goals (F3 and F4)* Treasury achieved nearly three of every four performance targets, and will continue to improve on performance targets that were not achieved.
- *Treasury Management and Operations Goals (M5)* Treasury achieved nearly four of every five M5 performance targets, and with management initiatives, will continue to improve.

### Performance Measure Streamlining

In response to requests from stakeholders to streamline and make performance information more meaningful, Treasury is discontinuing 216 performance measures in FY 2006, a 64% reduction in this budget. The original baseline was 338 measures. Fewer measures does not mean less insight into Treasury programs.

Instead, the Department is focusing on a smaller, higher-quality, higher-impact set of measures. This smaller set of measures will evolve and improve over the next year. Reducing the number of measures is simply a first step. Through the streamlining process, Treasury will:

- Increase the value of the information provided to our stakeholders.
- Respond to Congressional report language that suggested excessive performance information be omitted from the budget submissions.
- Respond to the President’s Management Agenda for making government more effective.
- Focus on Treasury’s top management priorities.
- Identify important measures for the Treasury Performance Management Framework.
- Reduce administrative burden.
- Provide more clarity on performance.

The benefits of the more streamlined set of measures will become apparent in next year’s budget, as well as the upcoming FY 2005 Performance and Accountability Report (PAR).

### Streamlining Methodology

Treasury utilized a technique called value-mapping to assess the value of each performance measure. Each measure was rated against eight, weighted criteria ranging from alignment to Treasury outcome to whether or not the measure could be benchmarked. Each measure was then scored and ranked relative to one another. The end result produced a definitive set of measures that correlated highly to the desired criteria, and consequently, the needs of decision-makers. Bureaus were engaged in a collaborative fashion throughout the entire process, and a full review was provided to OMB.

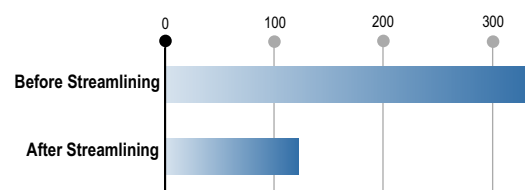
### Results

For both FY 2005 and 2006, Treasury has reduced its measure set from 338 to approximately 122 – a 64% reduction. A breakdown on total measures reduced

and the number of measures reduced by bureau is shown below:

### Overall Performance Measure Reduction

(Number of Measures)



### Performance Measure Reduction by Bureau

Bureau	Measures Data	
	Before Streamlining	After Streamlining
BEP	11	4
BPD	22	8
CDFI	47	9
Do	65	33
FinCEN	11	4
FMS	21	10
Franchise Fund	41	6
IRS	43	22
MINT	12	5
OCC	16	5
OIG	6	3
OTS	21	5
TIGTA	8	3
TTB	14	5
<b>Total</b>	<b>338</b>	<b>122</b>

### Treasury Results Highlights

This summary provides a brief overview of Treasury policy and program deliverables for FY 2004.

*The War on Terror.* Terror designation actions through Treasury have resulted in a reduction to the threat of terrorism and have supported Treasury’s efforts to combat financial crimes making it more difficult for terrorist groups, like al Qaida, to raise money.

- Under Executive Order 13224, organizations (e.g., Treasury) designated a total of 361 individuals and entities.
- Approximately \$200 million of terrorist-related funds worldwide were frozen or seized.
- Designated six jurisdictions, financial institutions, class of transactions or financial accounts as “primary money laundering concerns.”

- Collected more than 600,000 Suspicious Activity Reports from financial institutions to assist in identifying money laundering and terrorist financing activities.

*Iraq.* Treasury, working closely with other parts of the United States Government, has achieved important results in returning assets to the Iraqi people and in uncovering the schemes and networks used by the regime to steal from Iraq. These include:

- Identification and freezing of over \$2 billion of Iraqi assets outside the U.S. and Iraq since March 2003.
- Approximately \$847 million has been transferred by foreign sources to the Development Fund for Iraq (DFI).
- The U.S., foreign countries and the Bank for International Settlements have transferred over \$2.7 billion in frozen Iraqi funds back to Iraq.

*Operational Successes.* Treasury made progress in our core missions of economy and finance in FY 2004. Some of these accomplishments are shown below:

- Collected \$2.0 trillion in Federal Revenue.
- 81% of revenues collected electronically at a lower cost.
- Issued new \$20 and \$50 notes with improved anti-counterfeiting features.
- Processed more than 131 million individual tax returns.
- Increased the percentage of all individual tax returns filed electronically to 47%.
- Issued more than \$4.6 trillion in securities to finance government operations.
- Collected more than 600,000 Suspicious Activity Reports from financial institutions; analyzed and disseminated those reports to law enforcement entities.
- Produced 13.5 billion coins and printed 8.7 billion currency notes.

- Paid \$321.6 billion in interest payments on outstanding U.S. Government debt.
- Increased Treasury Direct System holdings to over \$1 billion in Series I and EE savings bonds.
- Collected more than \$3 billion in delinquent debt through FMS programs.
- Issued 75% of more than 940 million payments electronically.

*Management Effectiveness.* Treasury achieved the following in FY 2004:

- Improved status score on 3 of 5 PMA initiatives.
- Certified and accredited 86% of computer systems are secure.
- Reduced financial material weaknesses by one.
- Completed formulation and initiated the implementation of the Human Capital Strategic Plan and linked Departmental performance to senior employee compensation.
- Converted all Treasury Senior Executive Service leaders to a new performance system linked to the Treasury Strategic Plan.
- Finished implementation of HR Connect, a self-service employee human resource portal, at all bureaus except one (Office of Thrift Supervision).
- Performed a three-day close of its books at the end of each month to make important financial information available in a timely manner.
- Issued the FY 2004 Financial Report of the U.S. Government on December 15, 2004, just 75 days after the close of the fiscal year and 2.5 months faster than the previous year.

### **President's Management Agenda Summary**

The President's Management Agenda (PMA) is a management initiative that Treasury uses as a means to strengthen Treasury's performance by promoting efficiency, effectiveness and responsiveness to the public.

OMB grades Treasury on five management initiatives – Human Capital, Competitive Sourcing, Financial Performance, E-Government, and Budget and Performance Integration – on a quarterly basis. Starting in FY 2005, Treasury will also be scored on a sixth initiative, its efforts to eliminate Improper Payments.

Initiative	Status			Progress
	FY 2003	FY 2004	Q1 FY 2005	Q1 FY 2005
Human Capital	●	●	●	●
Competitive Sourcing	●	●	●	●
Financial Performance	●	●	●	●
E-Government	●	●	●	●
Budget and Performance Integration	●	●	●	●
Improper Payments	N/A	N/A	●	N/A

As of Q1 FY 2005, Treasury improved three of its five status scores for the PMA over the prior year. Overall, Treasury improved its Human Capital, Competitive Sourcing and Budget and Performance Integration status scores, demonstrating Treasury's commitment to building a world-class organization and providing the best value and service for its customers. Financial Performance and E-Government remained red. However, several key criteria have been met for these two important initiatives, and while Treasury has not met the criteria for a Green score, Treasury does have concrete and substantial results and both areas are on solid footing. For FY 2005, Treasury's commitment to improving efficiency and effectiveness through Competitive Sourcing was rewarded with the Department's first-ever Green status score for the PMA. Treasury's progress scores reflect the quality and execution of Treasury's implementation plan.

### Program Assessment Rating Tool Summary

In addition to regular independent program evaluations conducted by Treasury bureaus, Treasury also works with OMB to evaluate 20% of its programs each year through the Program Assessment Rating Tool (PART) process.

Five Treasury programs were evaluated for FY 2004. Three of the five programs were rated as "Effective," while two were rated as "Results Not Demonstrated," meaning that the programs results could not be verified. While Treasury's percentage of programs

rated as "Effective" doubled as compared to the previous year, there is still work to be done on the balance of the programs. For FY 2005 budget cycle, all programs were rated as "Adequate" or better, improving our standing from the previous year.

Programs evaluated for the FY 2005 budget cycle include:

Program	Bureau	Rating
Administering the Public Debt	BPD	Effective
New Currency Manufacturing	BEP	Effective
African Development Fund	DO	Results Not Demonstrated
Debt Collection	FMS	Effective
Submission Processing	IRS	Results Not Demonstrated

Programs evaluated for the FY 2006 budget cycle include:

Program	Bureau	Rating
IRS Advocate	IRS	Moderately Effective
IRS Service	IRS	Adequate
Financial & Technical Assistance	CDFI	Adequate
New Markets Tax Credits	CDFI	Adequate
FMS Collections	FMS	Effective
Numismatics	Mint	Effective

Programs to be evaluated for the FY 2007 budget cycle include:

Program	Bureau
BSA Collection and Dissemination	FinCen
Payments	FMS
Examination	IRS
Criminal Investigations	IRS
Protection	Mint
Collect the Revenue	TTB

### PART Ratings Summary

PART Rating	2004	2005	2006
Effective	3	3	2
Moderately Effective	0	0	1
Adequate	2	0	3
Ineffective	1	0	0
Results Not Demonstrated	4	2	0